

STATEMENT OF CONSIDERATIONS

Request by Cummins Power Generation, Inc. for an Advance Waiver of Domestic and Foreign Patent Rights to Inventions made under the Dish/Stirling Joint Venture Program between Sandia National Laboratories and Cummins Power Generation, Inc. in response to Contract No. 69-7763, DOE Docket No. W(A)93-006.

The Petitioner, Cummins Power Generation (CPG), Inc., has requested a waiver of all domestic and foreign patent rights to inventions which it may conceive or first actually reduce to practice in the course of work under the Dish/Stirling Joint Venture Program between Petitioner and Sandia National Laboratories Contract No. 69-7763. Sandia National Laboratories is operated by Sandia Corporation for the U.S. Department of Energy.

The work to be performed under the contract is the design and development of a 5 Kilowatt Dish/Stirling Solar Energy conversion system, which includes prototype development and field-testing of ten manufacturing validation units.

The total dollar amount of the contract is approximately \$12.8 million, of which Petitioner is estimated to contribute \$5.9 million. DOE funding is from the Solar Energy Conversion program office, with an associated B&R Number of BD-231102. The period of performance of the contract is three and one-half years. In addition, CPG will pay 100% of all capital expenditure costs, as well as contributing valuable technical expertise and facilities. CPG has already invested almost \$8 million over the past five years in the project. The Dish/Stirling Joint Venture Program is a result of the earlier effort by CPG to develop a 5 Kilowatt dish system.

CPG is seeking patent protection of any innovations that may arise in the performance of work under the contract to provide incentive to commercialize any invention, and to justify and protect its already substantial investment in research and facilities. CPG plans to commercialize the Dish/Stirling system into domestic and international markets. As a wholly owned subsidiary of Cummins Engine Company, CPG has access to a international and domestic marketing and service network.

Generally, CPG has been investing in the development of solar energy conversion systems since 1987, has organized a team of companies, and has acquired patent and licensing rights to supply various technologies related to the Dish/Stirling Joint Venture Program. CPG has also worked on the Dish/Stirling engine development program with NASA, Lewis Research Center, under DOE funding. Petitioner CPG is neither a small business nor a non-profit institution.

The work to be performed under the contract is not related to the production or utilization of special nuclear material or atomic energy; and there will be no weapons fields of use or weapons applications or naval nuclear propulsion use or applications of any innovations

arising from work performed under the contract. Moreover, none of the inventions or information subject to this waiver will be classified or controlled or sensitive under Section 148 of the Atomic Energy Act.

The work performed under the contract should not directly impact the public health, safety or welfare; rather the development of energy sources, other than fossil fuel technologies, will have a long-term positive impact on the public.

CPG agrees to abide by 35 U.S.C. § 202, 203, and 204; and has accepted the terms and conditions of the Standard Patent Rights Clause for an Advance Waiver Grantee. CPG further agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the CPG can show to the satisfaction of the Department of Energy that it is not commercially feasible to do so.

CPG agrees to abide by the Export Control Laws and to ensure that licensees and assignees, if any, also agree to abide by the Export Control Laws by reviewing any information or patents subject to this waiver to determine if an Export Control license is required and by obtaining a license for export of any information or patents subject to this waiver.

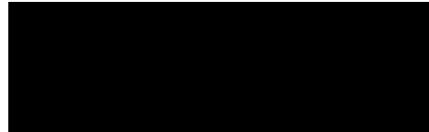
The grant of the requested waiver should increase the potential for commercialization of solar to electrical energy conversion technology developed under the contract and insure that solar Dish/Stirling engines will be developed and used. The commercial use of the technology will increase competition between producers of similar technologies, since consumers will benefit from a greater diversity of products, improved products, and lower manufacturing costs.

The technology to be developed under the contract offers one alternative to existing technologies. Since competing technologies exist and are continually being developed, no manufacturer would be placed in a dominant position by virtue of the use of the subject inventions. Thus, the grant of the waiver should not have an adverse effect on competition and market concentration.

On the basis that the Petitioner is a U.S. based company and Petitioner's assurances of aggressive action in bringing about commercialization of the inventions, it is apparent that the grant of the requested waiver will assure further development of the technology and that Petitioner is eminently qualified to achieve commercial success in a relatively short time.

Therefore, in view of the Petitioner's expertise, experience in the field, and willingness to commit time, effort, and approximately fifty percent of the cost to the contract, and to develop the technology to the point of commercialization, and upon evaluation of the

Waiver Petition in accordance with and in view of the objectives and considerations of 41 CFR 9-9.109.6, all of which have been considered, it is recommended that the requested waiver be granted.

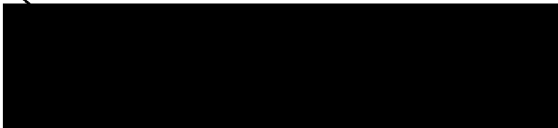


Karuna Ojanen  
Patent Attorney

Date: 30 October 1993

Based on the foregoing Statement of Considerations, and the representations in the attached waiver petition, it is determined that the interest of the United States and the General Public would best be served by a grant of the requested waiver, and therefore the waiver is hereby granted.

CONCURRENCE:



James L. Van Fleet, Acting Director  
Office of Economic Competitiveness  
Defense Programs

Date: 2/17/94

Robert H. Annan, CE-132  
Director, Photovoltaics Division  
Acting Director, Office of Solar Electric Conversion  
Date: \_\_\_\_\_

APPROVAL:

William R. Moser  
Acting Assistant General Counsel  
for Technology Transfer  
and Intellectual Property

Date: \_\_\_\_\_

#### U.S. COMPETITIVENESS PROVISION

The Contractor agrees that any products embodying any waived invention or produced through the use of any waived invention will be manufactured substantially in the United States, unless the Contractor can show to the satisfaction of DOE that it is not commercially feasible to do so.